

Appraiser fined \$10,000, has license downgraded

By Margaret Jackson, *The Denver Post*

Article Last Updated: 12/06/2007 11:51:57 PM MST

A Loveland appraiser accused of inflating the value of a conservation easement near Walsenburg has been fined \$10,000, and her license has been stripped to the lowest level.

Over the next three years, Julie O'Gorman must pay the state's Division of Real Estate \$10,000, according to a settlement reached Thursday. She faces an additional \$15,000 fine if she violates the stipulated agreement.

Also, O'Gorman's license has been reduced from certified general appraiser, the highest level, to licensed appraiser. She is not permitted to appraise land for conservation easements until January 2011.

"This stipulated agreement is good for the community because if we simply revoked her license, she can reapply in two years," said Erin Toll, director of the state's Division of Real Estate. "Revocations are not permanent."

O'Gorman said she's happy to still have her license but thinks the terms are too severe.

"I thought the punishment was pretty harsh considering what the court said, but at least I can still have my profession," she said.

In June, an administrative-law judge said O'Gorman should pay a \$500 fine and could have her license reinstated Dec. 1. Under terms of the settlement Thursday, O'Gorman's license will not be reinstated until Dec. 31.

O'Gorman's attorney, Dan Foster, said that while the judge found some violations, they were not considered willful.

"All the allegations of fraud that were out there in the media and how she was doing fraudulent appraisals were proven wrong, and we still lose," Foster said. "I think they're going to use her as their poster child and do whatever they can to show that they're getting tough on bad appraisers.

"The board is looking for easy headlines and scapegoats."

Under terms of the settlement, O'Gorman also must be supervised by a certified general appraiser for one year. Another certified general appraiser must randomly audit her files and submit a report to the Division of Real Estate.

Annexation denied

In August 2006, O'Gorman appraised a 35-acre property outside of Walsenburg for a conservation easement. She stated that the value of the easement was \$670,000, according to court records.

O'Gorman's conclusion relied on the property being annexed into the southern Colorado town, but she didn't include any discussions with planners to suggest that was possible or any references to the town's master plan showing its desire to annex the property, court records state.

She also did not mention that a previous annexation attempt had been denied or that the property is in the middle of hundreds of acres that developers had previously attempted and failed to develop, according to court documents.

But Foster said a drought forced Walsenburg to cease annexation. It was not denied, as the documents state, he said.

Court documents show that O'Gorman said in a letter that she was performing the appraisal based on "preliminary plans and specifications supplied by Rodney Atherton," whose plans included annexation into the city of Walsenburg and a zoning change from agricultural to urbanizing residential district.

Atherton, a Denver lawyer, said he worked on behalf of the developers to give the development design to O'Gorman. He said he could not recall the name of his client and that if he did, he would not be able to reveal it for confidentiality reasons.

"That was the extent of my involvement," he said.

Atherton facilitated conservation-easement deals on other ranches that are the focus of an investigation by the Division of Real Estate.

In addition to the Walsenburg appraisal, O'Gorman's work on several other properties was called into question. Those include properties at 6223 W. Third St. in Greeley; 365 S. Lowell Blvd., Denver; 219 Gallagher Court, Erie; a proposed subdivision in Loveland; and Riverview Residential subdivision in Greeley.

Margaret Jackson: 303-954-1473 or mjackson@denverpost.com